

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

GHCL LTD (GHCL)

Current Market Price

Rs.536

Fair Value (FV)

Rs.547

Date: 9th November, 2023

Previous Rating: **ADD**

Current Rating: **REDUCE**

Event: **Downgrade**

Ratings Rationale

- Continued weakness in the global soda ash markets leading to oversupply situation.
- We expect near-term challenges to persist in terms of realization and volume.
- We expect short to near-term blips to persist at least for a couple of quarters.
- Soda ash demand to remain sluggish as new supplies get absorbed in the market.
- Given weak demand, average realization was down ~Rs8,000/tonne to ~Rs28,000/ton.
- Soft demand trend in most parts including Americas, China and especially Europe.

Valuation

Downgrade to REDUCE; valuing at 3.4x FY26 EV/EBITDA.

Read Full Report

Note: The performance horizon is 12 months unless specified.

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